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啟迪國際

TUS INTERNATIONAL

TUS INTERNATIONAL LIMITED

啟迪國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 872)

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE DISPOSAL OF
51% OF THE ISSUED SHARE CAPITAL OF
OPTIMUS FINANCIAL GROUP LIMITED**

THE DISPOSAL

On 26 June 2020 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, entered into the Disposal Agreement with the Purchaser, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the Sale Shares, representing 51% of the issued share capital of the Target Company at an aggregate consideration of HK\$41,800,000.

Upon Completion, the Target Company and its subsidiaries will cease to be subsidiaries of the Company, and accordingly, the financial results of the Target Group will no longer be consolidated into the consolidated financial statements of the Group.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 5% and all of them are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Completion of the Disposal is subject to the fulfillment and/or (if applicable) waiver of the conditions precedent set out in the Disposal Agreement and may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and other securities of the Company.

On 26 June 2020 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, entered into the Disposal Agreement with the Purchaser, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the Sale Shares, representing 51% of the issued share capital of the Target Company at an aggregate consideration of HK\$41,800,000.

THE DISPOSAL AGREEMENT

A summary of the principal terms of the Disposal Agreement are set out below:

Date: 26 June 2020

Parties: (i) Quan Tai Limited, a wholly-owned subsidiary of the Company, as the Vendor

(ii) Goldbond Investment Group Limited, as the Purchaser

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Purchaser is a wholly-owned subsidiary of Goldbond Group, a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 172).

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

Assets to be disposed of

Pursuant to the Disposal Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the Sale Shares, representing 51% of the entire issued share capital in the Target Company. As at the date of this announcement, the Target Company holds the entire issued share capital of Hendex International, a company incorporated in Hong Kong with limited liability. Hendex International is the holding company of the entire equity interests in Shanghai Nanlang, which in turn holds the entire equity interests in Hunan Delu, both of which are companies incorporated in the PRC.

Immediately after the Completion, the Target Company will be owned as to 51% by the Purchaser and the Vendor will cease to have any interest in the Target Company. Upon Completion, the Target Group, including the Target Company, Hendex International, Shanghai Nanlang and Hunan Delu will cease to be subsidiaries of the Company and the financial results of the Target Group will cease to be consolidated into the financial statements of the Group.

Consideration

The Consideration payable for the sale and purchase of the Sale Shares is HK\$41,800,000, and shall be paid by the Purchaser to the Vendor in cash upon Completion.

The Consideration for the Disposal was determined after arm's length negotiations with reference to (i) the nature, specialty and performance of the businesses of the Target Group; (ii) the current and expected market condition of the industry in which the operations of the Target Group is participating, (iii) the background of the Purchaser; and (iv) the reasons and benefits as set out in the paragraph headed "Reasons for and benefits of the Disposal" below.

Conditions Precedent

Completion is subject to, among others, the following conditions precedent being fulfilled or waived (as the case may be):

- (a) the Purchaser being satisfied with the results of the due diligence exercise on each of the members of the Target Group, including but not limited to their respective businesses, assets, liabilities, operations, financial, legal or other status which the Purchaser thinks necessary or appropriate to conduct, and the Purchaser receiving the management accounts of the Target Company for the five months ended 31 May 2020 from the Target Company;
- (b) the Outstanding Loan having been repaid by TUS Cloud to Shanghai Nanlang in full;
- (c) the Vendor having obtained all necessary approval, authorisation, consent, licence, certificate, permit, concession, agreement or other permission of any kind of, from or by any government, whether on a state, provincial, municipal or local level and whether executive, legislative or judicial in nature, including without limitation any agency, authority, board, bureau, commission, court, department or any other instrumentality, regulatory body or any other third party (or waivers) and completed all necessary registrations and filings (if applicable) in relation to the Disposal Agreement and the transactions contemplated thereunder;
- (d) there being no breach of any of the representations, warranties and undertakings given, and to be given, by Vendor to the Purchaser under the Disposal Agreement;
- (e) there not having occurred, in the sole opinion of the Purchaser acting reasonably, any change or effect, the consequence of which materially and adversely affects the condition (financial or otherwise), business, liabilities, results of operations and/or assets of the Target Group as a whole; and
- (f) there being no breach of any of the representations, warranties and undertakings given, and to be given, by the Purchaser to the Vendor under the Disposal Agreement.

The Purchaser may waive any of the above conditions precedent (save for the condition precedent (f)) by written notice to the Vendor either in whole or in part, and the Vendor may waive the condition precedent (f) by written notice to the Purchaser, and such waiver may be made subject to such terms and conditions as the other party may require.

If any of the conditions precedent have not been fulfilled or waived by the Long Stop Date, either the Vendor or the Purchaser shall be entitled to rescind the Disposal Agreement by giving written notice to the Purchaser or the Vendor (as the case may be) whereupon the Disposal Agreement shall be terminated, and neither the Vendor nor the Purchaser shall have any claim against the Purchaser or the Vendor (as the case may be) for any costs, damages, compensation or otherwise in relation to the Disposal Agreement, save in respect of claims arising out of or in connection with any antecedent breach of the Disposal Agreement.

Completion

Completion shall take place on the Completion Date.

INFORMATION OF THE GROUP AND THE VENDOR

The Company is incorporated in the Cayman Islands with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 872). The Group is principally engaged in production and sale of advanced driving assistance system (ADAS) products and other automotive components, car trading and provision of financing service for leasing motor vehicles and equipment.

The Vendor is a company incorporated in the British Virgin Islands with limited liability, which is an investment holding company and a wholly-owned subsidiary of the Company.

INFORMATION OF THE PURCHASER

The Purchaser is an investment holding company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Goldbond Group.

Goldbond Group is a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 172), its subsidiaries are principally engaged in (i) the provision of financing services and factoring services; and (ii) the trading of goods in the PRC.

INFORMATION OF THE TARGET GROUP

The Target Company is a company incorporated in the Cayman Islands with limited liability and is principally engaged in investments holding. As at the date of this announcement, the Target Company holds the entire issued share capital of Hendex International, a company incorporated in Hong Kong with limited liability. Hendex International in turn, holds the entire equity interests in Shanghai Nanlang, which in turn holds the entire equity interests in Hunan Delu, both of which are companies established in the PRC. Shanghai Nanlang is principally engaged in the provision of finance lease services and Hunan Delu is principally engaged in the business of car trading.

FINANCIAL INFORMATION OF THE TARGET GROUP

The unaudited financial information of the Target Company for the financial years ended 31 December 2018 and 31 December 2019 are set out below:

	For the year ended 31 December 2018 (HK\$'000)	For the year ended 31 December 2019 (HK\$'000)
Net profit/(loss) before taxation	11,804	(13,111)
Net profit/(loss) after taxation	10,152	(14,494)
Net assets		122,615

Upon Completion, the Target Company and its subsidiaries will cease to be subsidiaries of the Company, and accordingly, the financial results of the Target Group will no longer be consolidated into the consolidated financial statements of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in the production and sale of advanced driving assistance system (ADAS) products and other automotive components, car trading and provision of financing service for leasing motor vehicles and equipment. As expressed in the 2019 annual report of the Company (the “**2019 Annual Report**”), the Group is dedicated to developing autonomous driving systems based on highly integrated multi-sensors, vehicle cloud computing and deep learning artificial intelligence and is committed to provide full-stack autonomous driving solutions. As such, having considered the overall strategic planning and resources allocation of the Group, the Board considers the provision of finance lease services and car trading business currently engaged by the Target Group not to be the core businesses of the Group going forward. Further, given the unfavourable business environment brought about by the outbreak of the COVID-19 pandemic and the unsatisfactory performance of the Target Group in recent years, it would not be in the interests of the Company to devote further time and resources to develop the business of the Target Group. As expressed in the 2019 Annual Report, the Board considered to take several steps to enhance the liquidity and financial resources of the Company including but not limiting to disposing non-core business and/or financial assets if required. As such, the Disposal offers the Group an opportunity to dispose of its interests in the Target Group which would streamline the business operations of the Group and generate cash to the Company to partially improve short term liquidity of the Company.

FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion, the Group is expected to record a loss of approximately HK\$20.3 million as a result of the Disposal. The estimated loss was calculated with reference to the receipt of the Consideration and the unaudited net asset value of the Target Group. The above financial impact is shown for illustrative purpose only and Shareholders shall note that the actual gain or loss as a result of the Disposal to be recognised in the consolidated financial statements of the Group is subject to review and final audit by the auditors of the Company. After deducting the expenses and taxes related to the Disposal, it is expected that the Company will have net proceeds of approximately HK\$41,500,000, which is intended to be applied for the repayment of short term financial obligations of the Company and general working capital of the Group.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 5% and all of them are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Completion of the Disposal is subject to the fulfillment and/or (if applicable) waiver of the conditions precedent set out in the Disposal Agreement and may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, a Sunday public holiday and any day on which a tropical cyclone warning No.8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are generally open in Hong Kong for business
“Company”	TUS International Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 872) and is the holding company of the Vendor
“Completion”	completion of the Disposal in accordance with the terms of the Disposal Agreement

“Completion Date”	the date of Completion, which shall be within 10 Business Days after all the conditions precedent have been fulfilled or waived or such other date as the parties to the Disposal Agreement may agree in writing
“Consideration”	the aggregate consideration payable by the Purchaser for the Sale Shares, being HK\$41,800,000
“Directors”	the directors of the Company
“Disposal Agreement”	the Disposal Agreement dated 26 June 2020 entered into between the Vendor and the Purchaser in relation to the Disposal
“Disposal”	the disposal of Sale Shares
“Goldbond Group”	Goldbond Group Holdings Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 172) and the holding company of the Purchaser
“Group”	the Company and its subsidiaries
“Hendex International”	Hendex International Limited, a company incorporated in Hong Kong with limited liability and an indirect non-wholly owned subsidiary of the Company as at the date of this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hunan Delu”	Hunan Delu Car Trading Limited* (湖南德路汽車貿易有限公司), a company established in the PRC with limited liability

“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	25 July 2020 (being one (1) month from the date of the Disposal Agreement), or such other date as may be agreed in writing between the Vendor and the Purchaser
“Outstanding Loan”	the outstanding loan/indebtedness in the amount of RMB25,000,000 plus accrued interest due, owing or payable to Shanghai Nanlang by TUS Cloud
“Purchaser”	Goldbond Investment Group Limited, a company incorporated in Hong Kong with limited liability, being the purchaser under the Disposal Agreement
“PRC”	The People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	17,110,500 issued ordinary shares of US\$0.001 each in the share capital of the Target Company, representing 51% of the entire issued share capital in the Target Company as at the date of this announcement

“Shanghai Nanlang”	Shanghai Nanlang Finance Lease Limited* (上海南朗融資租賃有限公司), a company established in the PRC with limited liability
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Target Company”	Optimus Financial Group Limited, a company incorporated in the Cayman Islands with limited liability and an indirect non-wholly owned subsidiary of the Company as at the date of this announcement
“Target Group”	the Target Company and all its direct or indirect wholly-owned subsidiaries as at the date of this announcement, namely Hendex International, Shanghai Nanlang and Hunan Delu
“TUS Cloud”	TUS Cloud Control (Beijing) Technology Limited* (啟迪雲控(北京)科技有限公司), a company incorporated in the PRC with limited liability and an indirect subsidiary of the Company
“Vendor”	Quan Tai Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company, being the vendor under the Disposal Agreement

“US\$” United States dollar, the lawful currency of the United States of America

“%” per cent.

* *The English transliteration of the Chinese name(s) in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).*

By order of the Board of
TUS International Limited
Ma Chi Kong Karl
Chairman

Hong Kong, 26 June 2020

As of the date of this announcement, the Board comprises Mr. Ma Chi Kong Karl (Chairman), Mr. Du Peng and Mr. Lin Jian who are executive Directors, Mr. Tsang Ling Biu, Gilbert and Mr. Hu Bo who are non-executive Directors, and Hon. Quat Elizabeth (JP), Mr. Poon Chiu Kwok and Mr. Wong Yuk Lun, Alan who are independent non-executive Directors.